

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 90-373-C - ORDER NO. 95-241✓
FEBRUARY 1, 1995

IN RE: Application of Coast International,)	ORDER ISSUING
Inc. for a Certificate of Public)	RULE TO
Convenience and Necessity.)	SHOW CAUSE
)	

This matter comes before the Public Service Commission of South Carolina (the Commission) pursuant to a Commission discussion of the business practices of Coast International, Inc. (Coast or the Company). The Company was granted a Certificate of Public Convenience and Necessity pursuant to our Order No. 90-1057 in this Docket, dated October 29, 1990.

On January 27, 1995, Commissioner Warren G. Arthur, IV received a phone call from an operator purporting to sell the services of a company called the "Rate Reduction Center." The operator informed Commissioner Arthur that the Company was under contract with Southern Bell Telephone & Telegraph Company (Southern Bell), and that it could reduce his phone long-distance bill by \$15.00 a month. Commissioner Arthur subsequently referred the operator to General Counsel. General Counsel determined, after further questioning, that the Rate Reduction Center was actually a part of the Company's offices ie., Coast International, Inc. When questioned as to the nature of the contract with

Southern Bell, the operator informed General Counsel that the Company was under contract with Southern Bell to provide "one-step billing, and for savings." (Emphasis added.) The operator further revealed that the contract with Southern Bell was actually through a company call Zero Plus. The operator attempted to give General Counsel a reference as to the nature of the contract, however, the 800 number given to the General Counsel was stated as being currently not active.

The Commission is very concerned about the marketing practices used by resellers in the State of South Carolina, as is evidenced by our marketing guidelines proceeding in Docket No. 94-559-C. The representations employed by Coast to Commissioner Arthur and General Counsel appear to be misleading, if not downright fraudulent. We believe that these practices bring into question the fitness of the Company to hold a Certificate of Public Convenience and Necessity. The Commission therefore holds that Coast shall hereby appear before this Commission at such time as may be set by Staff to show cause why its Certificate of Public Convenience and Necessity should not be revoked because of the use of unfair and/or fraudulent marketing practices within the State of South Carolina. Further, General Counsel is hereby instructed to contact the Attorney General's office for further consultation as to the potential fraudulent nature of the representations of Coast, and to discuss further possible action.

IT IS THEREFORE ORDERED THAT:

1. Coast International, Inc. shall appear at such time as

may be designated by the Staff to show cause why its Certificate of Public Convenience and Necessity should not be revoked for the employment of unfair and/or fraudulent marketing techniques within the State.

2. General Counsel shall contact the State Attorney General's office for further information.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)